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**1994 - 1995
ANNUAL REPORT
OF PRODUCTION
AND SALES**

CANADIANA

APR 2 1997

**ALBERTA
DAIRY
CONTROL
BOARD**

Alberta
AGRICULTURE, FOOD AND
RURAL DEVELOPMENT

ANNUAL REPORT

of

PRODUCTION AND SALES

for the fiscal year

ended March 31, 1995

ALBERTA DAIRY CONTROL BOARD



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INTRODUCTION

We are pleased to present production and sales data for the fiscal period April 1, 1994 to March 31, 1995.

The dairy industry continues to change in response to market forces and trade negotiations. Some processing plants have consolidated their operations, thus the slight reduction in processors and distributors from the previous year.

Although the number of milk producers has steadily declined to just over 1162, the average daily shipment per producer has increased slightly. There has been a more dramatic decline in cream shippers from 141 in 1993-94 to only 65 as of March 31, 1995. Corresponding cream production has decreased by over 27 percent from the previous year.

It was gratifying to see continuing, albeit modest, growth in domestic consumption of butterfat after several years of declining markets. Provincially, cream consumption increased by .65 percent, while consumption of fluid milk increased by 2.44 percent. Sales of 1%, skim, and chocolate milk continue to increase at the expense of homo and 2%. Consumer preference in packaging has changed as well. The percentage of milk sold in 2 litre pure pak has declined to 42 percent and 4 litre plastic jugs increased from 30 percent to 35 percent during 1994-95.

Class I sales, fluid milk and cream consumed as liquid, represented 46 percent of total production. Semi-solid products (ice cream, yogurt, and cottage cheese) comprised 9 percent of production; cheddar cheese and specialty cheese each represented 7 percent. The production of skim milk powder, butter and evaporated milk grew to 30 percent of total provincial production.

During the 1994-95 dairy year, producers transferred 6 percent of the provincial market share quota and 4 percent of the fluid quota, either privately or through the Board-operated quota exchange. Quota transfer policies are reviewed annually and transfer data are monitored regularly to ensure that all producers have the opportunity to manage their quota needs.

Lloyd Johnston
Managing Director
Alberta Dairy Control Board

ALBERTA DAIRY CONTROL BOARD

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TABLE 1

NUMBER OF PROCESSORS AND DISTRIBUTORS
AS OF MARCH 31, 1995

	1993	1994	1995
Number of Processors "B"	22	21	21
Number of Processor/Distributors "B" Class 1	10	8	7
Number of Distributor Agents/Depots "C"	107	94	73

TABLE 2

FLUID MILK AND CREAM CONSUMPTION IN LITRES
APRIL 1, 1994 TO MARCH 31, 1995

	Milk	Cream	Total
1989-90	261,153,952	10,333,930	271,487,882
1990-91	264,046,128	10,759,823	274,805,951
1991-92	268,167,034	10,646,500	278,813,534
1992-93	264,970,275	10,765,594	275,735,869
1993-94	257,706,216	11,010,399	268,716,615
1994-95	263,983,399	11,081,621	275,065,020

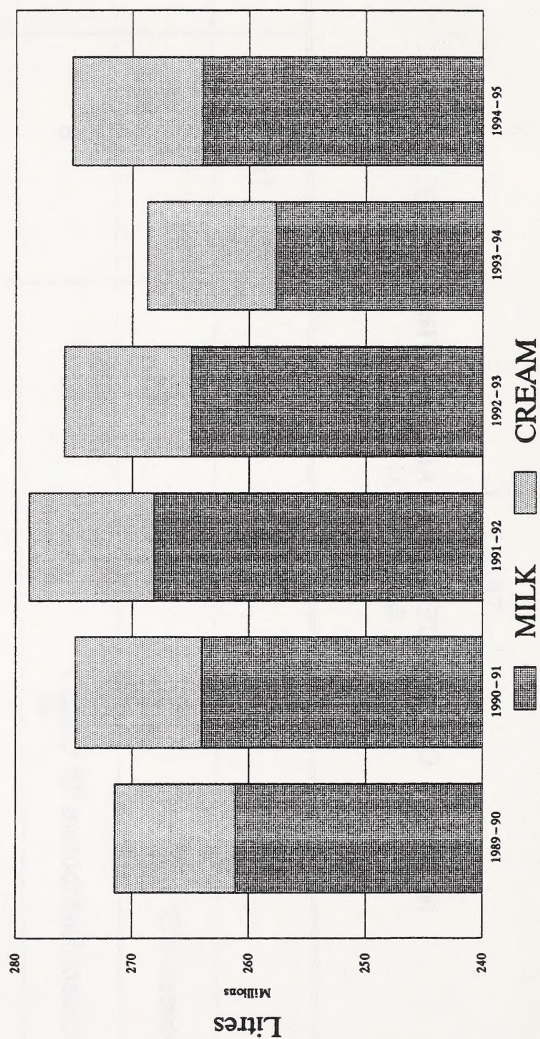


TABLE 3
SALES OF FLUID MILK IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	21,210,792	21,210,792
May	21,573,697	42,784,489
June	21,358,185	64,142,674
July	19,938,925	84,081,599
August	20,928,001	105,009,600
September	22,565,142	127,574,742
October	22,516,429	150,091,171
November	22,383,319	172,474,490
December	23,484,210	195,958,700
January	22,875,739	218,834,439
February	20,809,254	239,643,693
March	24,339,706	263,983,399

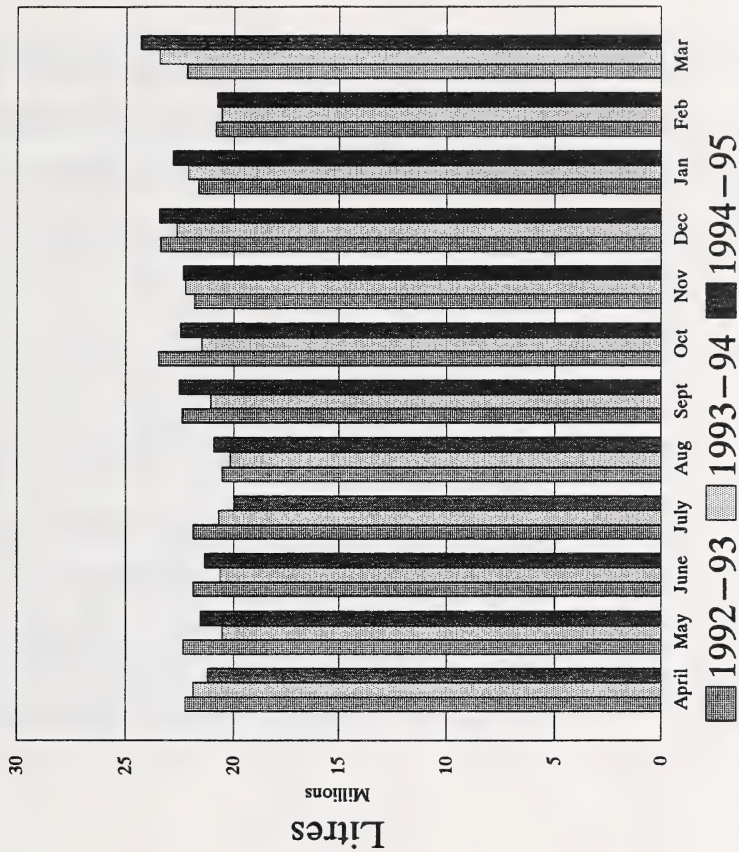


TABLE 4

SALES OF HOMO MILK IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	3,071,287	3,071,287
May	3,107,316	6,178,603
June	3,092,887	9,271,490
July	2,968,619	12,240,109
August	3,054,720	15,294,829
September	3,174,356	18,469,185
October	3,155,330	21,624,515
November	3,090,403	24,714,918
December	3,197,182	27,912,100
January	3,156,692	31,068,792
February	2,854,922	33,923,714
March	3,319,896	37,243,610

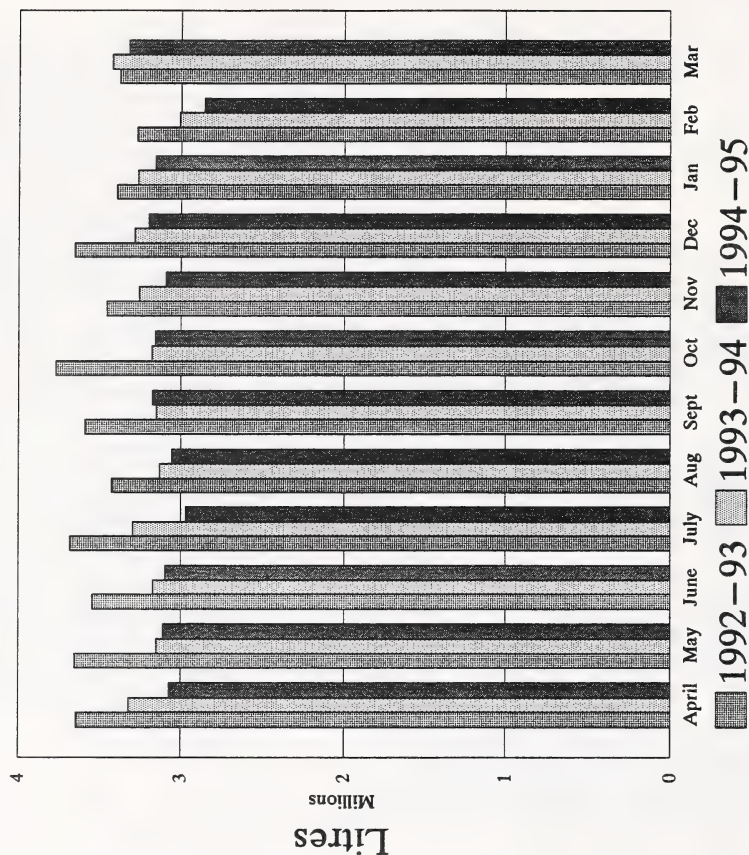


TABLE 5

SALES OF 2% MILK IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	9,985,818	9,985,818
May	10,117,448	20,103,266
June	10,085,803	30,189,069
July	9,487,613	39,676,682
August	9,991,882	49,668,564
September	10,657,006	60,325,570
October	10,515,774	70,841,344
November	10,407,026	81,248,370
December	10,627,865	91,876,235
January	10,814,333	102,690,568
February	9,741,331	112,431,899
March	11,169,194	123,601,093

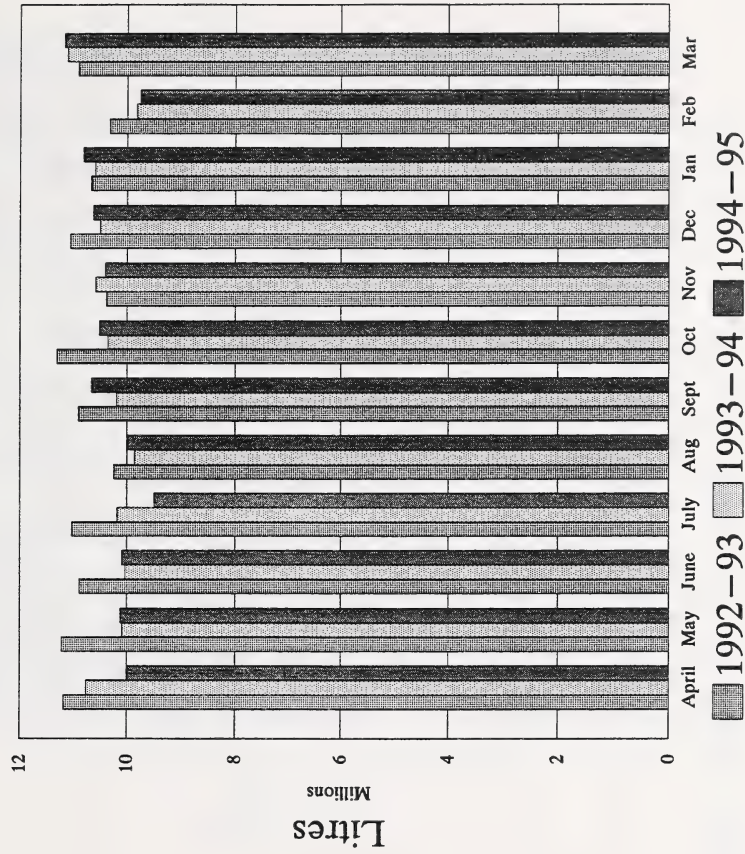


TABLE 6

SALES OF 1% MILK IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	4,321,961	4,321,961
May	4,424,013	8,745,974
June	4,339,303	13,085,277
July	3,990,496	17,075,773
August	4,165,912	21,241,685
September	4,643,927	25,885,612
October	4,635,615	30,521,227
November	4,590,237	35,111,464
December	4,569,694	39,681,158
January	4,778,910	44,460,068
February	4,373,720	48,833,788
March	5,175,056	54,008,844

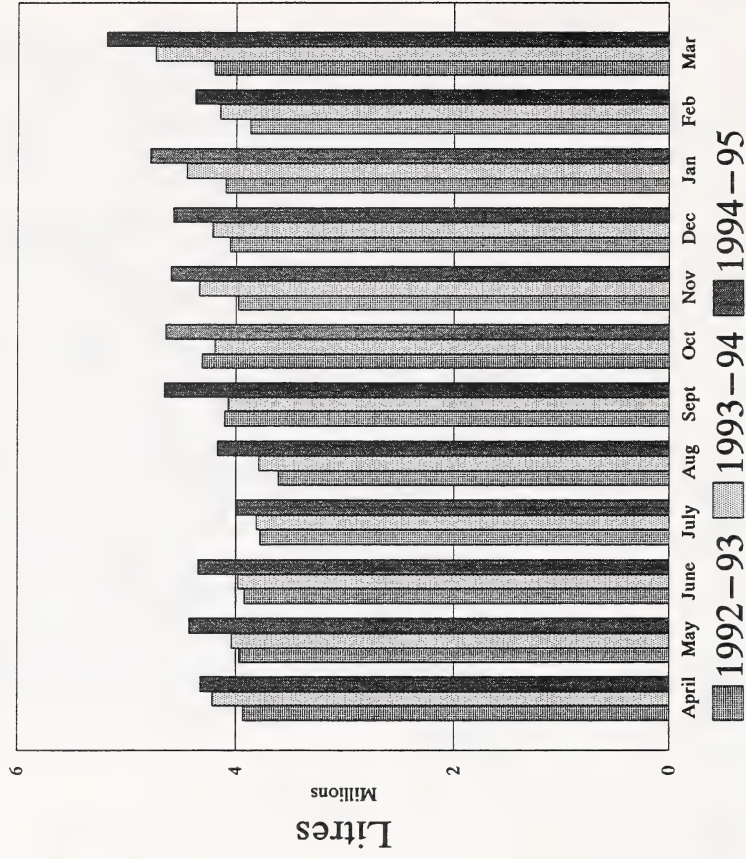


TABLE 7

SALES OF SKIM MILK IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	2,278,540	2,278,540
May	2,338,458	4,616,998
June	2,303,186	6,920,184
July	2,088,982	9,009,166
August	2,179,938	11,189,104
September	2,406,091	13,595,195
October	2,398,261	15,993,456
November	2,372,395	18,365,851
December	2,306,528	20,672,379
January	2,490,083	23,162,462
February	2,314,586	25,477,048
March	2,699,489	28,176,537

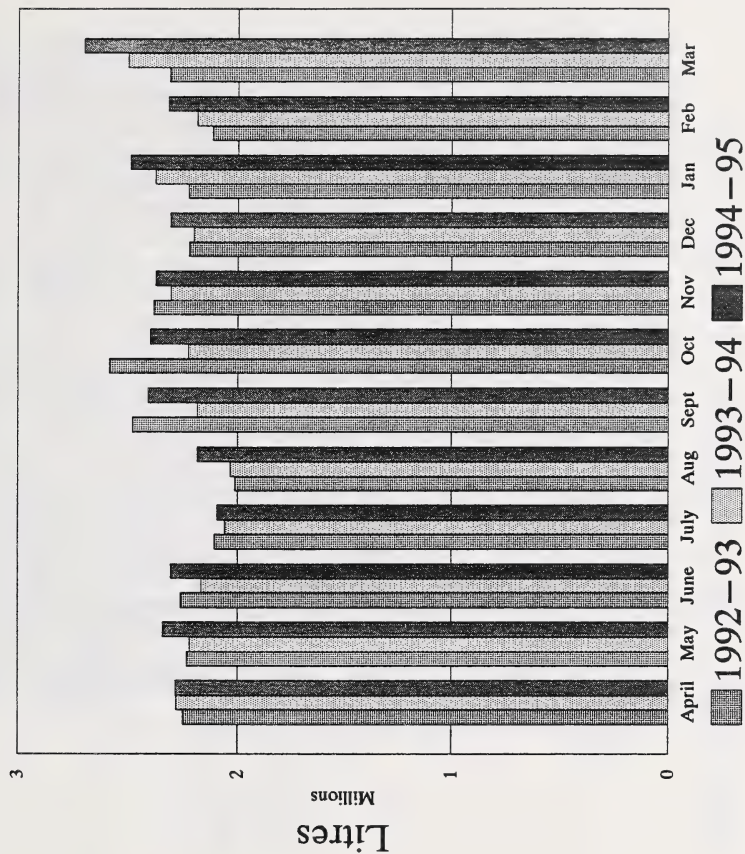


TABLE 8

SALES OF CHOCOLATE MILK IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	1,432,474	1,432,474
May	1,454,238	2,886,712
June	1,400,769	4,287,481
July	1,263,819	5,551,300
August	1,393,415	6,944,715
September	1,547,041	8,491,756
October	1,601,969	10,093,725
November	1,549,161	11,642,886
December	1,407,114	13,050,000
January	1,520,100	14,570,100
February	1,411,571	15,981,671
March	1,807,536	17,789,207

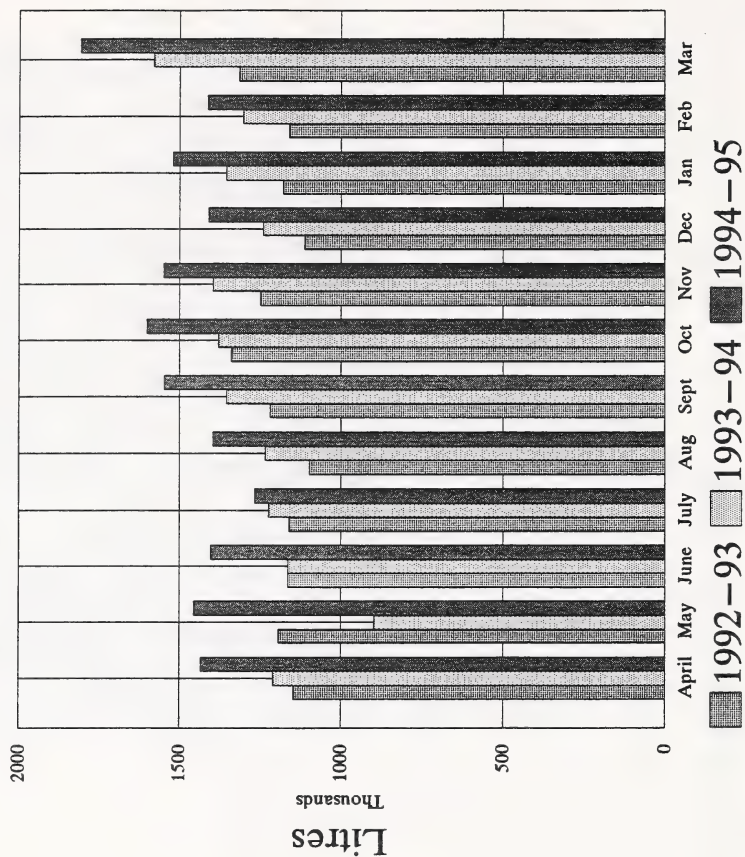


TABLE 9

SALES OF BUTTERMILK IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	119,847	119,847
May	131,398	251,245
June	135,339	386,584
July	138,660	525,244
August	141,429	666,673
September	127,318	793,991
October	125,146	919,137
November	117,833	1,036,970
December	115,527	1,152,497
January	120,830	1,273,327
February	112,881	1,386,208
March	168,236	1,554,444

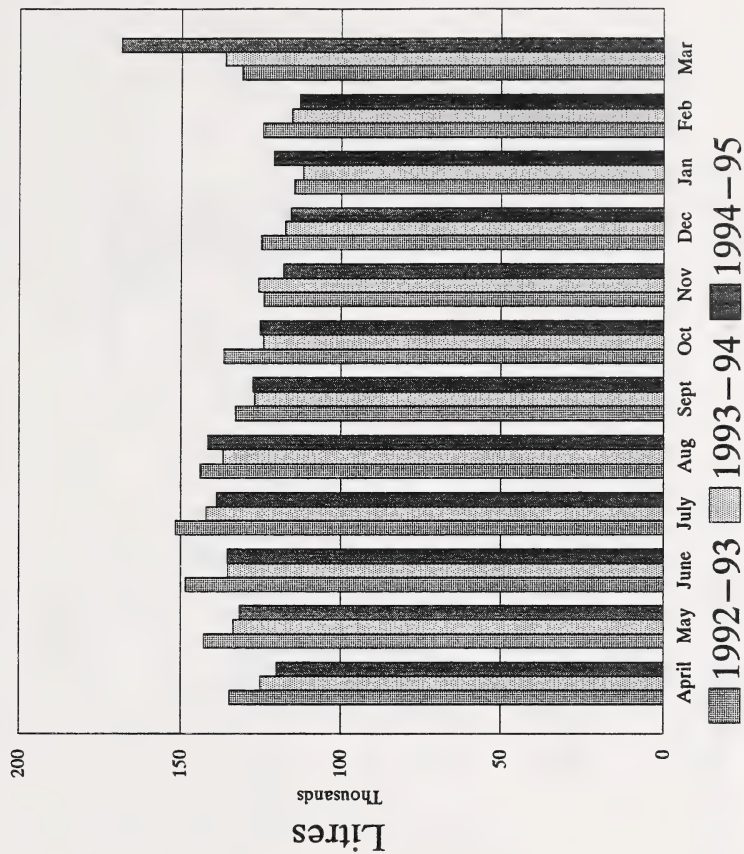


TABLE 10

SALES OF EGGNOG IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	865	865
May	826	1,691
June	898	2,589
July	736	3,325
August	705	4,030
September	9,403	13,433
October	84,334	97,767
November	256,264	354,031
December	1,260,300	1,614,331
January	(5,209)	1,609,122
February	243	1,609,365
March	299	1,609,664

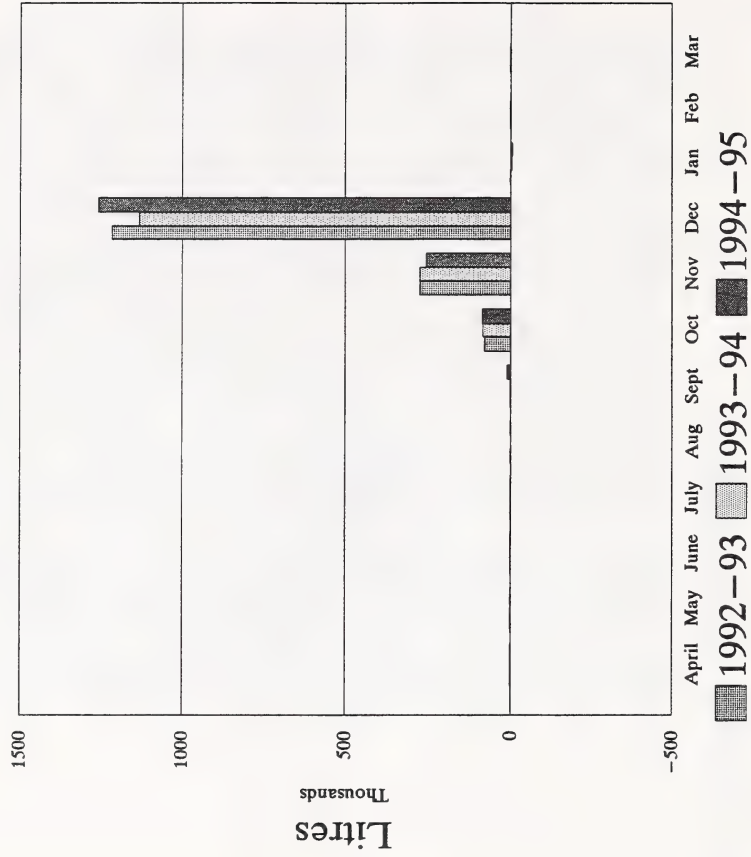


TABLE 11

SALES OF FLUID CREAM IN LITRES

April 1, 1994 To March 31, 1995		
	Monthly	Cumulative
April	867,587	867,587
May	908,764	1,776,351
June	954,666	2,731,017
July	909,946	3,640,963
August	949,443	4,590,406
September	929,788	5,520,194
October	988,855	6,509,049
November	878,736	7,387,785
December	1,065,762	8,453,547
January	814,176	9,267,723
February	797,503	10,065,226
March	1,016,395	11,081,621

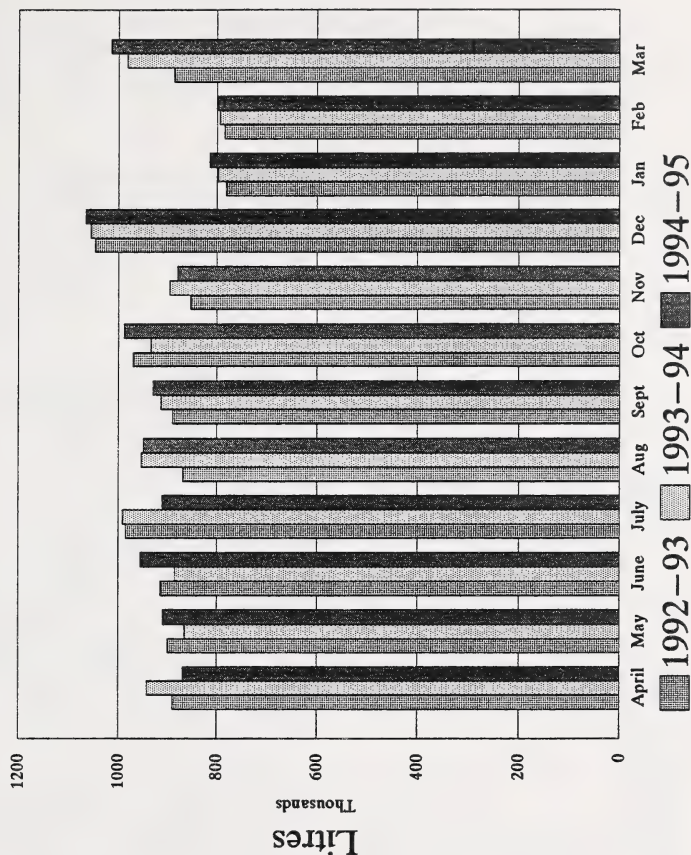


TABLE 12

TOTAL SALES OF MILK AND CREAM IN LITRES BY SIZE OF CONTAINERS
APRIL 1, 1994 TO MARCH 31, 1995

	Fluid Milk Products	% Of Total	Cream	% Of Total	Total Milk And Cream	% Of Total
20 Litres	6,161,590	2.33%	645,760	5.83%	6,807,350	2.47%
4 Litre – Pouch	5,455,844	2.07%	0	0.00%	5,455,844	1.98%
4 Litre – Jug	93,678,924	35.49%	0	0.00%	93,678,924	34.06%
2 Litre – Pure Pak	110,328,498	41.79%	0	0.00%	110,328,498	40.11%
2 Litre – Jug	10,304,504	3.90%	0	0.00%	10,304,504	3.75%
1 Litre – Pure Pak	23,466,294	8.89%	3,643,186	32.88%	27,109,480	9.86%
1 Litre – Jug	2,611,043	0.99%	125,023	1.13%	2,736,066	0.99%
500 Millilitres	6,177,918	2.34%	3,256,381	29.39%	9,434,299	3.43%
250 Millilitres	5,408,342	2.05%	758,327	6.84%	6,166,669	2.24%
125 Millilitres	278,018	0.11%	0	0.00%	278,018	0.10%
Portion Cup	112,425	0.04%	2,652,944	23.94%	2,765,369	1.01%
Total Litres	263,983,400	100.00%	11,081,621	100.00%	275,065,021	100.00%

TABLE 13

PERCENTAGE OF SALES BY PRODUCT SIZE
APRIL 1, 1994 TO MARCH 31, 1995

	20 Litres	4 Litres	2 Litres	1 Litre	500 ml	250 & 125 mL	Portion Cup
Homogenized	1.77%	43.28%	46.31%	8.42%	0.15%	0.06%	0.01%
2%	3.25%	37.34%	49.63%	6.36%	1.64%	1.69%	0.09%
1%	0.88%	45.01%	47.41%	5.47%	0.45%	0.77%	0.00%
Skim	0.43%	35.24%	53.88%	9.42%	0.00%	1.03%	0.00%
Chocolate	4.85%	14.68%	3.56%	39.13%	21.65%	16.12%	0.00%
Buttermilk	1.69%	0.00%	0.24%	98.06%	0.01%	0.00%	0.00%
Eggnog	0.00%	0.66%	38.45%	60.90%	0.00%	0.00%	0.00%
10% Cream	4.91%	0.00%	0.00%	28.04%	28.85%	3.35%	34.85%
18% Cream	96.88%	0.00%	0.00%	3.12%	0.00%	0.00%	0.00%
Whipping Cream	1.55%	0.00%	0.00%	50.19%	32.72%	15.54%	0.00%

TABLE 14

TOTAL FLUID SALES BY PRODUCT IN LITRES

April 1, 1994 To March 31, 1995		
	Sales (litres)	Percentage of Total
Homogenized Milk	37,243,610	13.54%
2%	123,601,093	44.94%
1%	54,008,844	19.63%
Skim Milk	28,176,537	10.24%
Chocolate	17,789,207	6.47%
Buttermilk	1,554,444	0.57%
Eggnog	1,609,664	0.59%
Sub Total	263,983,399	95.97%
Cream	11,081,621	4.03%
Total Litres	275,065,020	100.00%

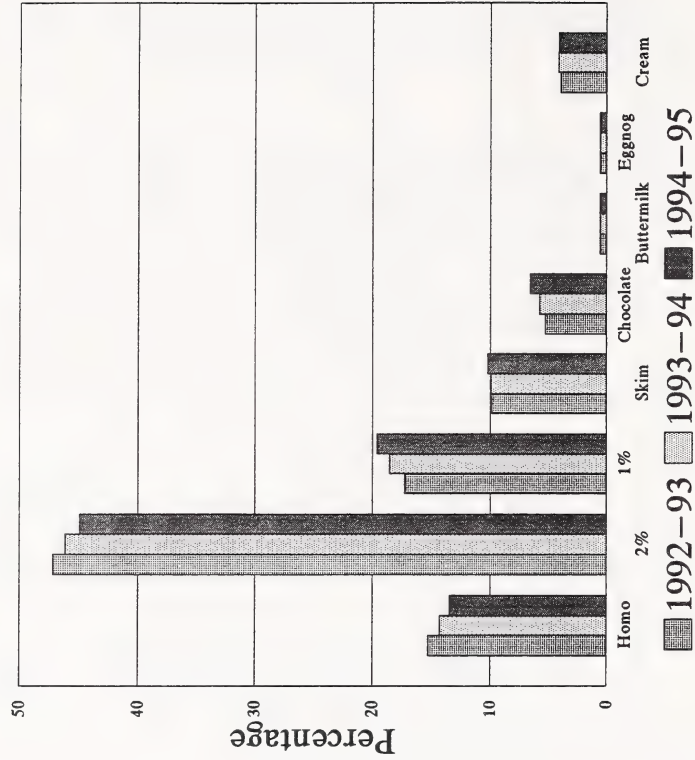


TABLE 15

**CLASS I UTILIZATION PERCENTAGE OF QUOTA MILK
APRIL 1, 1994 TO MARCH 31, 1995**

	Class I Utilization litres	Monthly Utilization %	Year-To- Date %
April	21,553,330	73.92	73.92
May	21,933,366	72.71	73.30
June	21,739,148	74.41	73.67
July	20,943,738	69.55	72.62
August	21,052,959	69.98	72.09
September	22,931,775	78.86	73.20
October	22,985,906	76.52	73.68
November	23,261,825	79.95	74.45
December	23,153,663	76.88	74.72
January	23,190,496	76.88	74.94
February	21,112,703	77.45	75.15
March	24,818,262	82.29	75.76
Total	268,677,171		

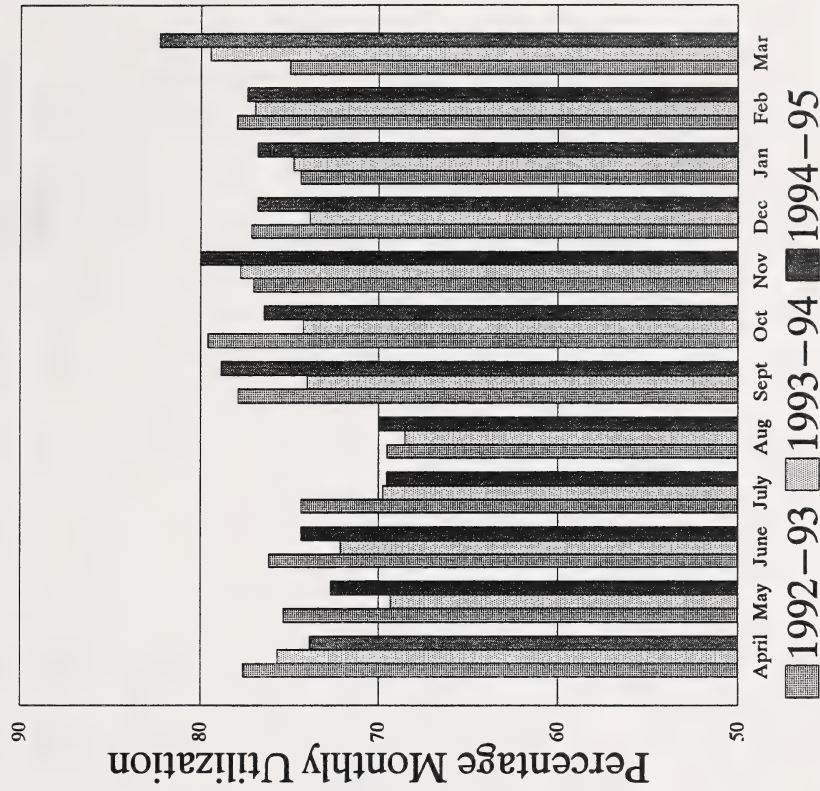


TABLE 16

UTILIZATION OF QUALIFYING MILK BY CLASS
APRIL 1, 1994 TO MARCH 31, 1995

	1992-93		1993-94		1994-95	
	Litres	Percentage	Litres	Percentage	Litres	Percentage
Class I	269,780,181	48.15%	261,262,524	48.30%	268,677,171	46.73%
Class II	52,013,087	9.28%	53,752,883	9.94%	50,942,315	8.86%
Class IIIA	56,853,328	10.15%	48,522,302	8.97%	40,239,747	7.00%
Class IIIB	54,106,397	9.66%	55,764,070	10.31%	42,425,905	7.38%
Class IIIC	127,557,906	22.77%	121,597,424	22.48%	172,672,886	30.03%
Total	560,310,899		540,899,203		574,958,024	

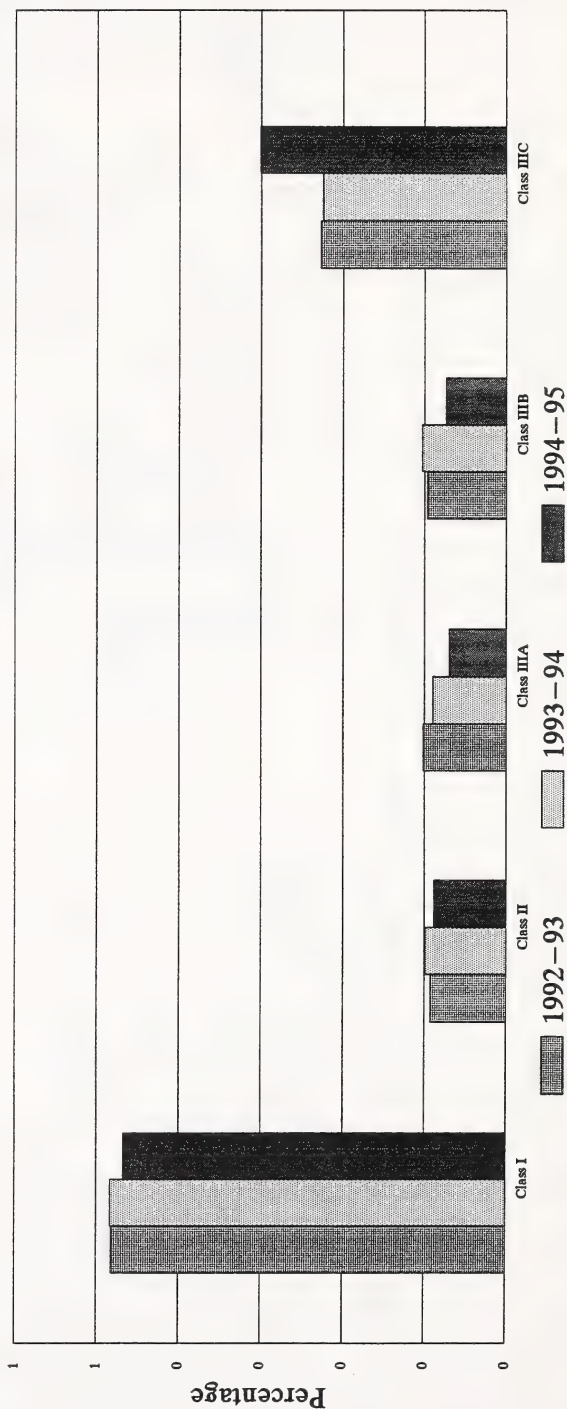


TABLE 17

MILK AND CREAM PRODUCERS AND PRODUCTION
AT MARCH 31

	1992-93	1993-94	1994-95
Number of Milk Producers	1,268	1,217	1,162
Number of Cream Producers	208	141	65
Milk Production (litres)	560,310,899	541,007,369	575,057,974
Cream Production (kilograms)	197,750	93,088	67,710
Average Daily Shipment per Milk Producer (litres)	1,211	1,218	1,356

TABLE 18
PROVINCIAL AVERAGE BUTTERFAT TESTS

	1992 - 93	1993 - 94	1994 - 95
April	3.677634	3.664885	3.620874
May	3.608140	3.619351	3.578195
June	3.519789	3.487323	3.511415
July	3.499499	3.520957	3.493449
August	3.541843	3.550109	3.500210
September	3.708969	3.636244	3.615493
October	3.814489	3.745290	3.777028
November	3.838952	3.811019	3.808929
December	3.800492	3.747581	3.815276
January	3.855479	3.732291	3.762934
February	3.637037	3.714062	3.697544
March	3.693098	3.699769	3.695269

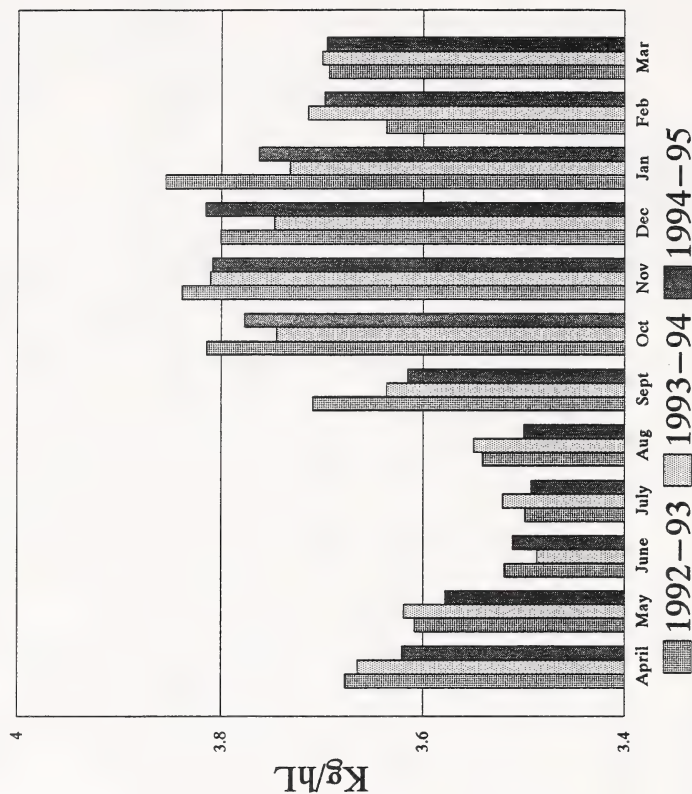


TABLE 19

UNUSED MARKET SHARE QUOTA EXCHANGE

	1991 - 92		1992 - 93		1993 - 94		1994 - 95	
	\$/kg	kg Sold	\$/kg	kg Sold	\$/kg	kg Sold	\$/kg	kg Sold
April	22.50	21,532	22.00	20,146	32.00	15,506	27.00	9,440
May	22.50	25,299	23.00	13,985	34.00	16,622	24.00	9,763
June	22.50	32,174	24.00	24,250	36.00	13,649	24.00	36,571
July	22.50	24,552	(1)		(1)		(1)	
August	(1)		(1)		(1)		(1)	
September	18.00	2,349	18.00	4,845	28.00	3,957	23.00	8,130
October	16.00	3,722	20.00	9,025	24.00	5,879	25.00	10,050
November	16.00	7,389	22.00	1,505	18.00	14,545	27.00	11,096
December	16.00	5,415	24.00	3,969	(2)		27.00	11,714
January	18.00	10,068	25.00	9,553	20.00	9,405	29.00	10,884
February	20.00	8,039	28.00	4,167	24.00	11,684	32.00	13,667
March	21.00	15,478	30.00	8,400	28.00	16,160	35.00	14,551
Weighted Average	\$21.18		\$23.54		\$27.81		\$27.11	
Total Sold		156,017		99,845		107,407		135,866

Notes: (1) No exchange was held for unused MSQ.

(2) The unused MSQ exchange was suspended.

TABLE 20

USED MARKET SHARE QUOTA EXCHANGE

	1991-92		1992-93		1993-94		1994-95	
	\$/kg	kg Sold	\$/kg	kg Sold	\$/kg	kg Sold	\$/kg	kg Sold
April	12.00	7,604	10.00	446	22.00	7,259	19.00	5,744
May	12.00	9,005	10.00	171	25.00	1,276	20.00	14,724
June	12.00	8,666	10.00	2,671	25.00	3,228	21.00	19,617
July	15.00	3,062	(1)		(1)		(1)	
August	(1)		(1)		(1)		(1)	
September	10.00	162	10.00	582	20.00	36	17.00	422
October	8.00	1,585	(2)		18.00	1,509	16.00	2,585
November	10.00	880	(2)		17.00	3,357	17.00	3,395
December	10.00	2,498	10.00	1,471	(3)		20.00	5,294
January	8.00	4,070	15.00	4,869	17.00	440	20.00	6,229
February	10.00	1,992	18.00	6,576	17.00	3,864	20.00	8,688
March	10.00	3,224	20.00	2,064	20.00	12,000	22.00	13,016
Weighted Average	\$11.28		\$15.18		\$20.33		\$20.23	
Total Sold		42,748		18,850		32,969		79,714

Notes: (1) No exchange was held for used MSQ.

(2) No used MSQ was offered for sale.

(2) The used MSQ exchange was suspended.

TABLE 21

FLUID QUOTA EXCHANGE

	1991-92		1992-93		1993-94		1994-95	
	\$/Litre	Litres Sold	\$/Litre	Litres Sold	\$/Litre	Litres Sold	\$/Litre	Litres Sold
April	290.00	535	270.00	365	335.00	1,385	285.00	940
May	(2)		300.00	355	335.00	330	290.00	1,545
June	260.00	410	(3)		(1)		280.00	455
July	250.00	600	(2)		350.00	615	270.00	280
August	(3)		(2)		350.00	1,155	280.00	775
September	275.00	605	310.00	250	340.00	555	290.00	965
October	300.00	1,010	315.00	1,080	320.00	1,590	290.00	1,300
November	300.00	1,600	305.00	995	280.00	1,160	280.00	865
December	280.00	1,590	315.00	960	(4)		290.00	1,555
January	270.00	1,590	315.00	495	250.00	460	300.00	700
February	260.00	1,135	315.00	365	280.00	1,165	310.00	1,735
March	(3)		330.00	430	300.00	965	320.00	1,400
Weighted Average	\$226.13		\$310.00		\$314.18		\$294.19	
Total Sold		9,075		5,295		9,380		12,515

Notes: (1) A fluid exchange did not take place as there was not enough fluid quota available to allocate at least 5 litres to each buyer.

(2) A fluid quota exchange did not take place as the volume offered exceeded the volume bid for.

(3) A fluid exchange did not take place as there was no fluid offered for sale.

(4) The fluid quota exchange was suspended.

TABLE 22

MILK PRICES: CLASS I, II, III, QUOTA AND OVER-QUOTA

1994-95

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Class I	56.95	55.97	55.97	55.97	55.97	55.97	55.97	55.97	55.97	55.97	55.97	56.51
Class II	46.50	46.50	46.50	46.50	48.06	48.06	48.06	48.06	48.06	48.06	48.06	48.06
Class IIIA	45.22	45.22	45.22	45.22	46.78	46.78	46.78	46.78	46.78	46.41	46.41	46.41
Class IIIB	44.85	44.85	44.85	44.85	46.41	46.41	46.41	46.41	46.41	46.41	46.41	46.41
Class IIIC	44.84	44.84	44.84	44.84	46.40	46.40	46.40	46.40	46.40	46.40	46.40	46.40
Quota	53.85	53.02	53.16	52.53	53.11	53.99	53.81	54.06	53.78	53.79	53.80	54.70
Over-quota	45.13	45.17	45.07	44.99	46.67	46.68	46.77	46.74	46.72	46.69	46.60	46.54

1993-94

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Class I	55.97	55.97	55.97	55.97	55.97	55.97	56.95	56.95	56.95	56.95	56.95	56.95
Class II	45.41	45.41	45.41	45.41	45.41	46.50	46.50	46.50	46.50	46.50	46.50	46.50
Class IIIA	44.14	44.14	44.14	44.14	44.14	45.22	45.22	45.22	45.22	45.22	45.22	45.22
Class IIIB	43.77	43.77	43.77	43.77	43.77	44.85	44.85	44.85	44.85	44.85	44.85	44.85
Class IIIC	43.76	43.76	43.76	43.76	43.76	44.84	44.84	44.84	44.84	44.84	44.84	44.84
Quota	53.04	52.28	52.62	52.39	52.26	53.18	53.91	54.26	53.83	53.97	54.19	54.47
Over-quota	44.05	44.14	44.05	44.11	44.20	45.27	45.29	45.22	45.17	45.23	45.00	45.08

TABLE 23

MILK CLASSIFICATIONS

Class I	All milk used for sales
Class II	All excess milk used in the manufacture of ice cream, ice cream mix, cottage cheese, sour cream, yogurt, sherbet mix, milk shake mix, and any milk that is surplus to the requirements of any other class
Class IIIA	All excess milk used in the manufacture of specialty cheeses as defined by the Dairy Board
Class IIIB	All excess milk used in the manufacture of cheddar cheese
Class IIIC	All excess milk used in the manufacture of evaporated milk, condensed milk, butter and skim milk powder
Class IV	All excess milk utilized in the production of butter where skim milk resulting there from is not utilized in any other class

TABLE 24

PROVINCIAL SHARE OF QUOTA

AS AT AUGUST 1

	1991	1992	1993	1994
Provincial Share (kilograms)	10,081,858	9,748,328	9,772,360	10,263,598
National Plan (kilograms)	153,927,205	148,100,959	150,693,449	157,406,741
Provincial Share of National Plan	6.55%	6.58%	6.48%	6.52%
Change in Provincial MSQ from Previous Year	5.69%	-3.31%	0.25%	5.03%

TABLE 25
LEVY RATES
DOLLARS PER KILOGRAM
AS AT AUGUST 1

	1991	1992	1993	1994
Milk Levy	\$0.27	\$0.22	\$0.29	\$0.49
In-quota Levy	\$0.34	\$0.00	\$0.00	\$0.00
Sleeve Levy	\$7.89	\$7.80	\$7.83	\$8.20
Over-quota Levy	\$10.43	\$9.25	\$8.90	\$9.08

